{deleted text} shows text that was in HB0294 but was deleted in HB0294S01.

inserted text shows text that was not in HB0294 but was inserted into HB0294S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Patrice M. Arent proposes the following substitute bill:

# CAMPAIGN AND FINANCIAL REPORTING REQUIREMENTS REVISIONS

2014 GENERAL SESSION STATE OF UTAH

**Chief Sponsor: Patrice M. Arent** 

Senate Sponsor	·
-	

#### LONG TITLE

#### **General Description:**

This bill amends provisions of the Election Code relating to campaign and financial reporting requirements.

#### **Highlighted Provisions:**

This bill:

- \{\text{defines terms};}\}
- requires that a} grants rulemaking authority to the director of elections;
- permits the lieutenant governor to provide notice to a reporting entity that fails to file a complete financial statement, requiring the reporting entity to file an amended financial statement;

- makes it a class B misdemeanor for a reporting entity to fail to file an amended financial report {include expenditures made by a candidate, an officeholder, or an agent (including a political consultant) of a candidate or officeholder on behalf of the candidate or officeholder} within seven days after the day on which the notice described in the preceding paragraph is served; and
- provides that when a person makes a detailed listing that discloses or reports the source of a contribution, discloses or reports the person or entity to whom a disbursement is made, or discloses or reports the identity of a donor, the person:
  - shall reveal the actual source of the contribution, the actual person or entity to
    whom the disbursement is ultimately made, or the actual identity

    of the donor; and
  - may not merely list, disclose, or report the transactional intermediary.

#### Money Appropriated in this Bill:

None

#### **Other Special Clauses:**

None

#### **Utah Code Sections Affected:**

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<del>{AMENDS}</del>ENACTS:
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20A-11-101<del>{, as last amended by Laws of Utah 2013, Chapters 86, 170, 318, and 420</del>

#### **ENACTS:**

#### 3. Utah Code Annotated 1953

**20A-11-101.5**, Utah Code Annotated 1953

**20A-12-301.5**, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **20A-11-101.3** is <del>{amended} enacted</del> to read:

**20A-11-101.** <del>Definitions.</del>

As used in this chapter:

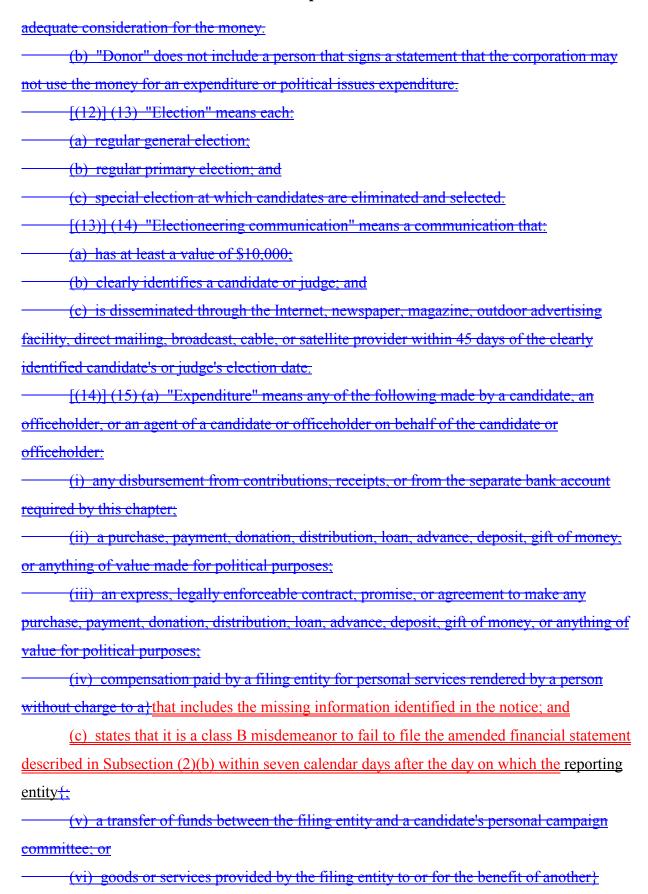
(1) "Address" means the number and street where an individual resides or

where 3. Detailed listing -- Rulemaking authority -- Enforcement.

(1) The director of elections, within the Lieutenant Governor's Office, may make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, in relation to the form, type, and level of detail required in a detailed listing. (2) If a reporting entity {has its principal office. (2) "Agent of a candidate or officeholder" means: (a) a person acting on behalf of a candidate or officeholder at the direction of the candidate or officeholder; (b) a person employed by a candidate or officeholder in the candidate's or officeholder's capacity as a candidate or officeholder; (c) the personal campaign committee of a candidate or officeholder; (d) a member of the personal campaign committee of a candidate or officeholder in the member's capacity as a member of the personal campaign committee of the candidate or officeholder; or (e) a political consultant of a candidate or officeholder. [(2)] (3) "Ballot proposition" includes initiatives, referenda, proposed constitutional amendments, and any other ballot propositions submitted to the voters that are authorized by the Utah Code Annotated 1953. [(3)] (4) "Candidate" means any person who: (a) files a declaration of candidacy for a public office; or (b) receives contributions, makes expenditures, or gives consent for any other person to receive contributions or make expenditures to bring about the person's nomination or election to a public office. -[(4)] (5) "Chief election officer" means: (a) files a financial statement that does not provide all of the information required, including the level of detail required, for a detailed listing under this chapter, or rules made by the lieutenant governor for state office candidates, legislative office candidates, officeholders, political parties, political action committees, corporations, political issues committees, state school board candidates, judges, and labor organizations, as defined in Section 20A-11-1501; and (b) the county clerk for local school board candidates. [(5)] (6) (a) "Contribution" means any of the following when done for political

# purposes: (i) a gift, subscription, donation, loan, advance, or deposit of money or anything of value given to the filing entity; (ii) an express, legally enforceable contract, promise, or agreement to make a gift, subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or anything of value to the filing entity; (iii) any transfer of funds from another \under under this chapter, the lieutenant governor may provide written notice to the reporting entity {to the filing entity; (iv) compensation paid by any person or that: (a) identifies the information missing from the financial statement; (b) states that the reporting entity fother than the filing entity for personal services provided without charge to the filing entity; (v) remuneration from: (A) any organization or its directly affiliated organization that has a registered lobbyist: <u>or</u> (B) any agency or subdivision of the state, including school districts; and (vi) goods or services provided to or for the benefit of the filing entity at less than fair market value. (b) "Contribution" does not include: (i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of the filing entity; (ii) money lent to the filing entity by a financial institution in the ordinary course of business; or (iii) goods or services provided for the benefit of a candidate or political party at less than fair market value that are not authorized by or coordinated with the candidate or political party. [(6)] (7) "Coordinated with" means that goods or services provided for the benefit of a candidate or political party are provided: (a) with the candidate's or political party's prior knowledge, if the candidate or political party does not object; (b) by agreement with the candidate or political party;

(c) in coordination with the candidate or political party; or
(d) using official logos, slogans, and similar elements belonging to a candidate or
political party.
[(7)] (8) (a) "Corporation" means a domestic or foreign, profit or nonprofit, business
organization that is registered as a corporation or is authorized to do business in a state and
makes any expenditure from corporate funds for:
(i) the purpose of expressly advocating for political purposes; or
(ii) the purpose of expressly advocating the approval or the defeat of any ballot
<del>proposition.</del>
(b) "Corporation" does not mean:
(i) a business organization's political action committee or political issues committee; or
(ii) a business entity organized as a partnership or a sole proprietorship.
[(8)] (9) "County political party" means, for each registered political party, all of the
persons within a single county who, under definitions established by the political party, are
members of the registered political party.
[(9)] (10) "County political party officer" means a person whose name } is required to
{be submitted by a county political party to} file an amended financial statement with the
lieutenant governor {in accordance with Section 20A-8-402.
[(10)] (11) "Detailed listing" means:
(a) for each contribution or public service assistance:
(i) the name and address of the individual or source making the contribution or public
service assistance;
(ii) the amount or value of the contribution or public service assistance; and
(iii) the date the contribution or public service assistance was made; and
(b) for each expenditure:
(i) the amount of the expenditure;
(ii) the person or entity to whom it was disbursed;
(iii) the specific purpose, item, or service acquired by the expenditure; and
(iv) the date the expenditure was made.
[(11)] (12) (a) "Donor" means a person that gives money, including a fee, due, or
assessment for membership in the corporation, to a corporation without receiving full and



#### receives the written notice.

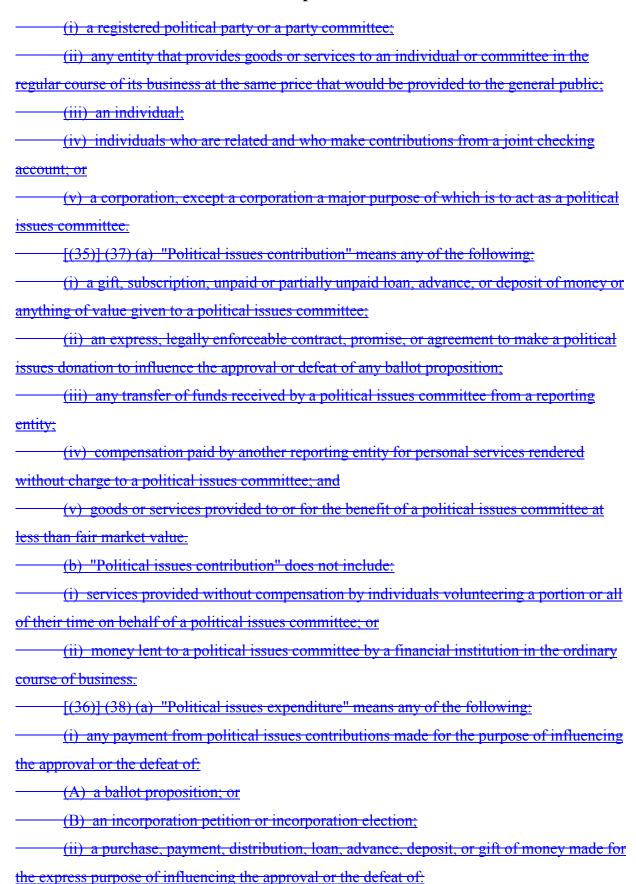
- (3) A reporting entity is guilty of a class B misdemeanor if the reporting entity (for political purposes at less than fair market value.
  - (b) "Expenditure" does not include:
- (i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a reporting entity;
- (ii) money lent to a fails to file an amended financial statement with the lieutenant governor that includes the missing information identified in the notice described in Subsection (2) within seven calendar days after the day on which the reporting entity {by a financial institution in the ordinary course of business; or
  - (iii) anything listed} receives the written notice.
- (4) The lieutenant governor shall report each violation of Subsection (3) to the attorney general.
- (5) In addition to the criminal penalty described in Subsection {[(14)] (15)(a) that is given by a reporting entity to candidates for office or officeholders in states other than Utah.
- [(15)] (16) "Federal office" means the office of President of the United States, United States Senator, or United States Representative.
- [(16)] (17) "Filing entity" means the (3), the lieutenant governor shall impose a civil fine of \$100 against a reporting entity that {is required to file a financial statement required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.
- [(17)] (18) "Financial statement" includes any summary report, interim report, verified financial statement, or other statement disclosing contributions, expenditures, receipts, donations, or disbursements that is required by this chapter or Chapter 12, Part 2, Judicial Retention Elections.
- [(18)] (19) "Governing board" means the individual or group of individuals that determine the candidates and committees that will receive expenditures from a political action committee, political party, or corporation.
- [(19)] (20) "Incorporation" means the process established by Title 10, Chapter 2, Part 1, Incorporation, by which a geographical area becomes legally recognized as a city or town.
  - [(20)] (21) "Incorporation election" means the election authorized by Section 10-2-111.
- [(21)] (22) "Incorporation petition" means a petition authorized by Section 10-2-109.

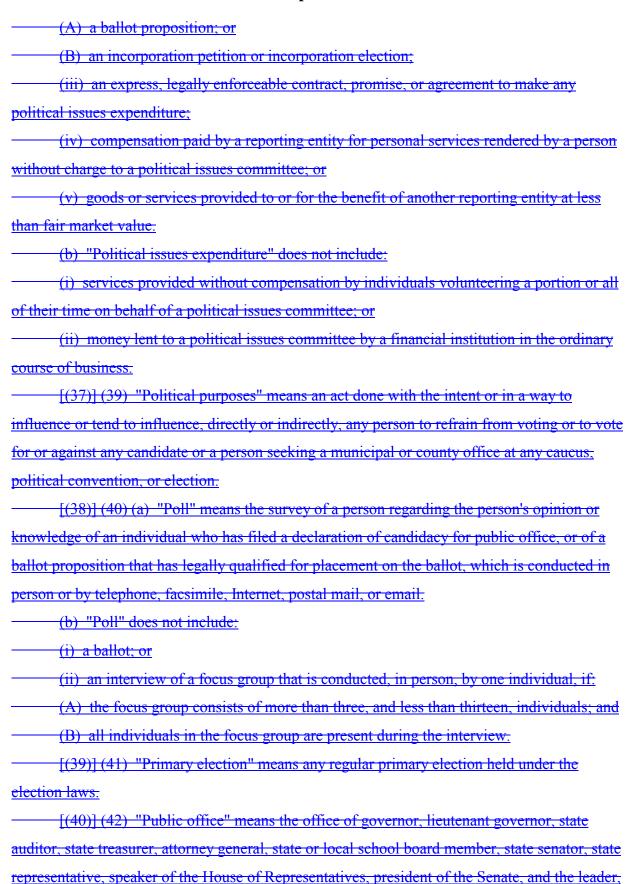
[(22)] (23) "Individual" means a natural person. [(23)] (24) "Interim report" means a report identifying the contributions received and expenditures made since the last report. [(24)] (25) "Legislative office" means the office of state senator, state representative, speaker of the House of Representatives, president of the Senate, and the leader, whip, and assistant whip of any party caucus in either house of the Legislature. [(25)] (26) "Legislative office candidate" means a person who: (a) files a declaration of candidacy for the office of state senator or state representative; (b) declares oneself to be a candidate for, or actively campaigns for, the position of speaker of the House of Representatives, president of the Senate, or the leader, whip, and assistant whip of any party caucus in either house of the Legislature; or (c) receives contributions, makes expenditures, or gives consent for any other person to receive contributions or make expenditures to bring about the person's nomination, election, or appointment to a legislative office. [(26)] (27) "Major political party" means either of the two registered political parties that have the greatest number of members elected to the two houses of the Legislature. [(27)] (28) "Officeholder" means a person who holds a public office. [(28)] (29) "Party committee" means any committee organized by or authorized by the governing board of a registered political party. [(29)] (30) "Person" means both natural and legal persons, including individuals, business organizations, personal campaign committees, party committees, political action committees, political issues committees, and labor organizations, as defined in Section <del>20A-11-1501.</del> [(30)] (31) "Personal campaign committee" means the committee appointed by a candidate to act for the candidate as provided in this chapter. -[(31)] (32) "Personal use expenditure" has the same meaning as provided under Section <del>20A-11-104.</del> [(32)] (33) (a) "Political action committee" means an entity, or any group of individuals or entities within or outside this state, a major purpose of which is to: (i) solicit or receive contributions from any other person, group, or entity for political

purposes; or

(ii) make expenditures to expressly advocate for any person to refrain from voting or to vote for or against any candidate or person seeking election to a municipal or county office. (b) "Political action committee" includes groups affiliated with a registered political party but not authorized or organized by the governing board of the registered political party that receive contributions or makes expenditures for political purposes. (c) "Political action committee" does not mean: (i) a party committee; (ii) any entity that provides goods or services to a candidate or committee in the regular course of its business at the same price that would be provided to the general public; (iii) an individual; (iv) individuals who are related and who make contributions from a joint checking account; (v) a corporation, except a corporation a major purpose of which is to act as a political action committee; or (vi) a personal campaign committee. (34) "Political consultant" means a person who is paid or otherwise retained by, or with the consent of, a candidate or officeholder to provide political advice or political assistance to the candidate or officeholder. [(33)] (35) "Political convention" means a county or state political convention held by a registered political party to select candidates. [(34)] (36) (a) "Political issues committee" means an entity, or any group of individuals or entities within or outside this state, a major purpose of which is to: (i) solicit or receive donations from any other person, group, or entity to assist in placing a ballot proposition on the ballot, assist in keeping a ballot proposition off the ballot, or to advocate that a voter refrain from voting or vote for or vote against any ballot proposition; (ii) make expenditures to expressly advocate for any person to sign or refuse to sign a ballot proposition or incorporation petition or refrain from voting, vote for, or vote against any proposed ballot proposition or an incorporation in an incorporation election; or (iii) make expenditures to assist in qualifying or placing a ballot proposition on the ballot or to assist in keeping a ballot proposition off the ballot.

(b) "Political issues committee" does not mean:





whip, and assistant whip of any party caucus in either house of the Legislature. [(41)] (43) (a) "Public service assistance" means the following when given or provided to an officeholder to defray the costs of functioning in a public office or aid the officeholder to communicate with the officeholder's constituents: (i) a gift, subscription, donation, unpaid or partially unpaid loan, advance, or deposit of money or anything of value to an officeholder; or (ii) goods or services provided at less than fair market value to or for the benefit of the officeholder. (b) "Public service assistance" does not include: (i) anything provided by the state; (ii) services provided without compensation by individuals volunteering a portion or all of their time on behalf of an officeholder; (iii) money lent to an officeholder by a financial institution in the ordinary course of business: (iv) news coverage or any publication by the news media; or (v) any article, story, or other coverage as part of any regular publication of any organization unless substantially all the publication is devoted to information about the officeholder. [(42)] (44) "Publicly identified class of individuals" means a group of 50 or more individuals sharing a common occupation, interest, or association that contribute to a political action committee or political issues committee and whose names can be obtained by contacting the political action committee or political issues committee upon whose financial statement the individuals are listed. [(43)] (45) "Receipts" means contributions and public service assistance. [(44)] (46) "Registered lobbyist" means a person registered under Title 36, Chapter 11, **Lobbyist Disclosure and Regulation Act.** [(45)] (47) "Registered political action committee" means any political action committee that is required by this chapter to file a statement of organization with the Office of the Lieutenant Governor. -[(46)] (48) "Registered political issues committee" means any political issues committee that is required by this chapter to file a statement of organization with the Office of

# the Lieutenant Governor. [(47)] (49) "Registered political party" means an organization of voters that: (a) participated in the last regular general election and polled a total vote equal to 2% or more of the total votes cast for all candidates for the United States House of Representatives for any of its candidates for any office; or (b) has complied with the petition and organizing procedures of Chapter 8, Political Party Formation and Procedures. [(48)] (50) (a) "Remuneration" means a payment: (i) made to a legislator for the period the Legislature is in session; and (ii) that is approximately equivalent to an amount a legislator would have earned during the period the Legislature is in session in the legislator's ordinary course of business. (b) "Remuneration" does not mean anything of economic value given to a legislator by: (i) the legislator's primary employer in the ordinary course of business; or (ii) a person or entity in the ordinary course of business: (A) because of the legislator's ownership interest in the entity; or (B) for services rendered by the legislator on behalf of the person or entity. [(49)] (51) "Reporting entity" means a candidate, a candidate's personal campaign committee, a judge, a judge's personal campaign committee, an officeholder, a party committee, a political action committee, a political issues committee, a corporation, or a labor organization, as defined in Section 20A-11-1501. [(50)] (52) "School board office" means the office of state school board or local school board. [(51)] (53) (a) "Source" means the person or entity that is the legal owner of the tangible or intangible asset that comprises the contribution. (b) "Source" means, for political action committees and corporations, the political action committee and the corporation as entities, not the contributors to the political action committee or the owners or shareholders of the corporation. [(52)] (54) "State office" means the offices of governor, lieutenant governor, attorney general, state auditor, and state treasurer. [(53)] (55) "State office candidate" means a person who: (a) files a declaration of candidacy for a state office; or

- (b) receives contributions, makes expenditures, or gives consent for any other person to receive contributions or make expenditures to bring about the person's nomination, election, or appointment to a state office.
- [(54)] (56) "Summary report" means the year end report containing the summary of a reporting entity's contributions and expenditures.
- [(55)] (57) "Supervisory board" means the individual or group of individuals that allocate expenditures from a political issues committee.

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Section 2. Section **20A-11-101.5** is enacted to read:

#### 20A-11-101.5. Disclosure of actual source or recipient required.

- (1) As used in this section, "transactional intermediary" means a person that pays or transfers money to a person on behalf of another person, including a credit card company, a financial institution, or a money transfer service.
- (2) When, under this chapter, a person makes a detailed listing, discloses or reports the source of a contribution, discloses or reports the person or entity to whom a disbursement is made, or discloses or reports the identity of a donor, the person:
- (a) shall reveal the actual source of the contribution, the actual person or entity to whom the disbursement is ultimately made, or the actual identity of the donor; and
  - (b) may not merely list, disclose, or report the transactional intermediary.

Section 3. Section **20A-12-301.5** is enacted to read:

#### 20A-12-301.5. Disclosure of actual source or recipient required.

- (1) As used in this section, "transactional intermediary" means a person that pays or transfers money to a person on behalf of another person, including a credit card company, a financial institution, or a money transfer service.
- (2) When, under this chapter, a person makes a detailed listing, discloses or reports the source of a contribution, discloses or reports the person or entity to whom a disbursement is made, or discloses or reports the identity of a donor, the person:
- (a) shall reveal the actual source of the contribution, the actual person or entity to whom the disbursement is ultimately made, or the actual identity of the donor; and
  - (b) may not merely list, disclose, or report the transactional intermediary.

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Legislative Review Note	
as of 1-14-14 8:18 AM	
	Office of Legislative Research and General Counsel